(c) the action proposed to be taken against erring bank officials for not implementing Government's instructions in this matter?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE ANDCOMPANY AFFAIRS(SHRI ANANT GANGARAM GEETE): (a) to (c) The information is being collected and will be placed on the Table of the House as and when it becomes available.

Broker-cooperative bank nexus

2134. SHRI GHULAM NABI AZAD: Will the Minister of FINANCE AND COMPANY AFFAIRS be pleased to state:

(a) whether the Reserve Bank of India's report shows broker-Co-operative Bank nexus detected in December, 2001;

(b) if so, whether the RBI in its report pointed out that securities so far clearly indicate fraudulent transactions and serious irregularities in violation of RBI guidelines; and

(c) if so, what steps Government propose to take to remove the broker-Co-operative bank nexus?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE AND COMFANY AFFAIRS (SHRI ANANT GANGARAM GEETE): (a) and (b) Reserve Bank of India (RBI) has reported that while reviewing the transactions in Government securities undertaken through Constituent Subsidiary General Ledger (CSGL) accounts maintained with commercial banks, it was noticed that large volume of transactions in Government securities had been undertaken through these CSGL accounts between broker entities and banks in the cooperative sector which suggests a nexus between them. The scrutiny conducted by RBI indicated that these transactions in Government securities by banks were fraudulent in nature and were in violation of RBI guidelines/instructions.

(c) With a view to eliminate the nexus between the brokers and the banks, RBI has taken vaious steps. Some of these are:

- Issue of instructions indicating that transactions in Government securities should not be undertaken with brokers as counter parties;
- All purchase/sale transactions in Government securities by banks should necessarily be through SGL account with RBI

or CSGL accounts with designated agencies or dematerialised account with depositories;

- No further transactions in Government securities by banks should be undertaken in physical form with any broker;
- Only one CSGL or dematerialized accounts should be opened by a bank;
- The entities maintaining the CSGL/designated funds accounts are required to ensure availability of clear funds in the designated funds accounts for purchases and of sufficient securities in the CSGL account for sales before putting through the transactions;

Taking further measures, to beef up the supervisory and internal control system in Co-operative banks through strict audit of investment transactions of all State and District Central Cooperative Banks.

Widening off tax net

2135. SHRIMATI AMBIKA SONI:
DR.T. SUBBARAMI REDDY:

Will the Minister of FINANCE AND COMPANY AFFAIRS be pleased to state:

(a) whether he had issued instructions to the tax authorities to introduce number of measures like bringing people having bank-lockers under the tax net and intensifying search and scrutiny to plug tax evasion in order to shore up revenue;

(b) if so, whether he also has plans to go beyond the one-by-six scheme to attain the revenue target;

(c) if so, what is the total number of raids conducted during the last six months;

(d) how much cash, etc. were unearthed during these raids; and

(e) what action has been taken against those held responsible?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE AND COMRMMY AFFAIRS(SHRIGINGEE N. RAMACHANDRAN): (a) and (b)